



Federal Communications Commission
Washington, D.C. 20554

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April 30, 1998

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

Re: CC Docket No. 93-162

Dear Ms. Salas:

On March 24, 1998, Christine Jines, Director-Federal Regulatory, and Jerry Fuess of SBC Communications, Inc. (SBC) met with Richard Kwiatkowski, Carol Canteen, and Steven Funkhouser of the Competitive Pricing Division of the Common Carrier Bureau to discuss Pacific Bell's methodologies for developing physical collocation rates. Attached are documents that Christine Jines and Jerry Fuess of SBC Communications, Inc. provided to the Commission Staff at the meeting. The pages in the documents that SBC marked proprietary have been omitted from this filing.

Please place these documents on the record in CC Docket No. 93-162. Thank you for your attention.

Sincerely,

Paul B. D'Ari

Paul B. D'Ari
Staff Attorney

10 of 10 pages rec'd
04/30/98
04/30/98

CRE BROKER REGISTRY**Northern California**

Cushman Realty
(510) 935-3443
Fax: (510) 935-3408
1333 N. California Ave., Suite 410
Walnut Creek, CA
Contacts: Chip Wiser

Nomad Investments
(415) 854-7231
Fax: (415) 854-7231
600 Sharon Park Dr., #101A
Menlo Park, CA
Contacts: John Shaw, CCIM, SIOR

White Real Estate Company
(916) 972-7700
Fax: (916) 972-0700
2751 Lacy Lane.
Sacramento, CA 95821
Contacts: Richard White

Southern California

Cushman Realty
(213) 627-4700
601 S. Figueroa St., 47th
Los Angeles, CA
Contacts: R. Todd Doney

The Klabin Co.
(310) 337-7000
Fax: (310) 337-0078
601 Center Drive West, Suite 300
Los Angeles, CA 90045
Contacts: James K. Sullivan

Property Resources
(714) 252-8589
2050 Campus Dr.
Newport Beach, CA 90045
Contacts: John Sutherland

Grubb & Ellis
(213) 622-0064
Fax: (213) 622-0064
1000 Wilshire Blvd., Suite 200
Los Angeles, CA 90017
Contacts: Maury Gentile

Charles Dunn Co.
(213) 481-1800
Fax: (213) 481-0758
1200 Wilshire Blvd.
Los Angeles, CA 90017-1976
Contacts: Teresa M. Dunn

The Seeley Co.
(310) 444-1033
1096 Wilshire Blvd., Suite 1500
Los Angeles, CA 90024
Contacts: Jeff Laskey

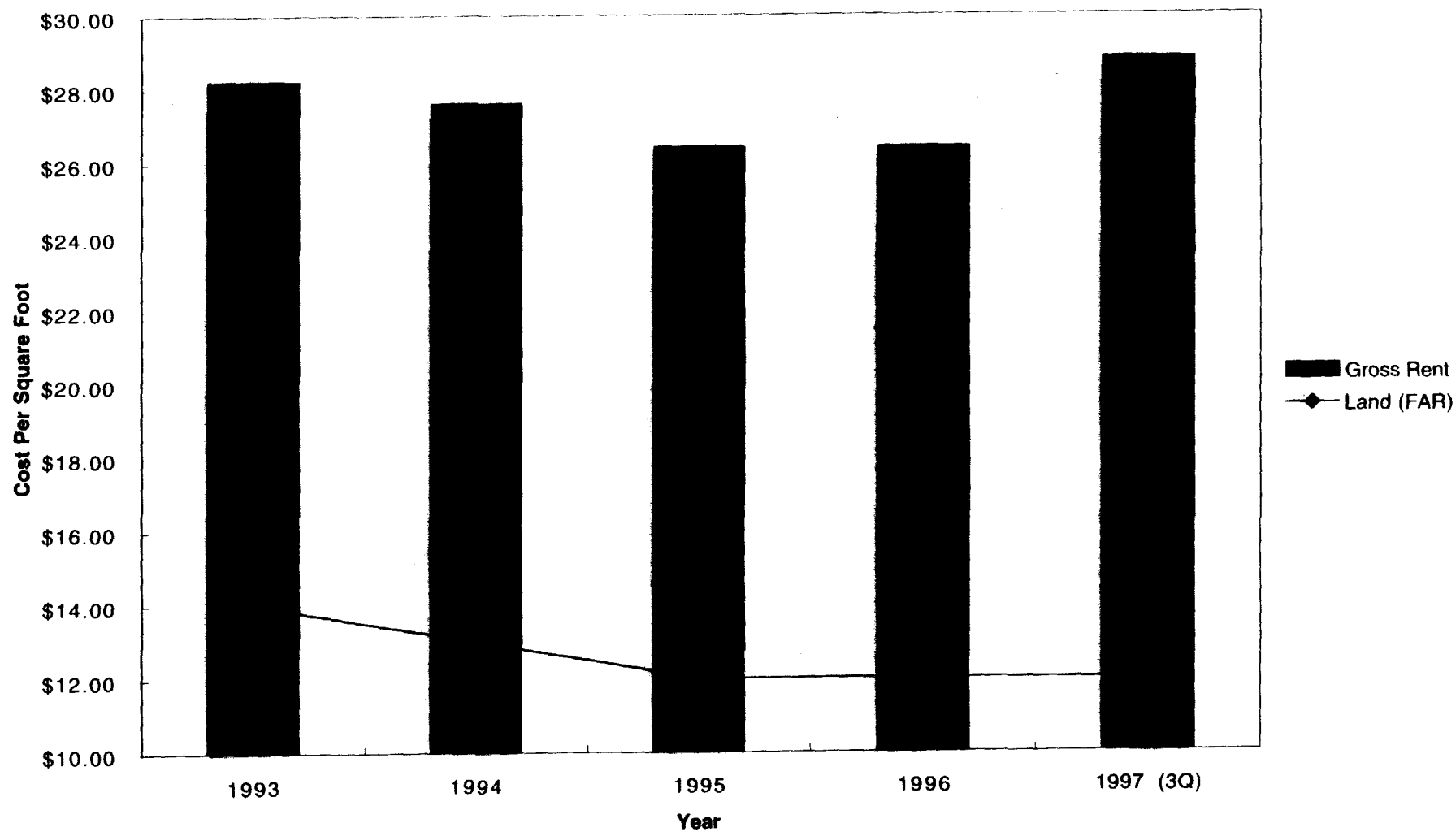
REAL ESTATE CONSULTANT REGISTRY

Trammell Crow Company
650-578-8100
Fax: 650-345-2506
1241 East Hillsdale Blvd.
Suite 200
Foster City, CA 94404
Contacts: Bert Sandell

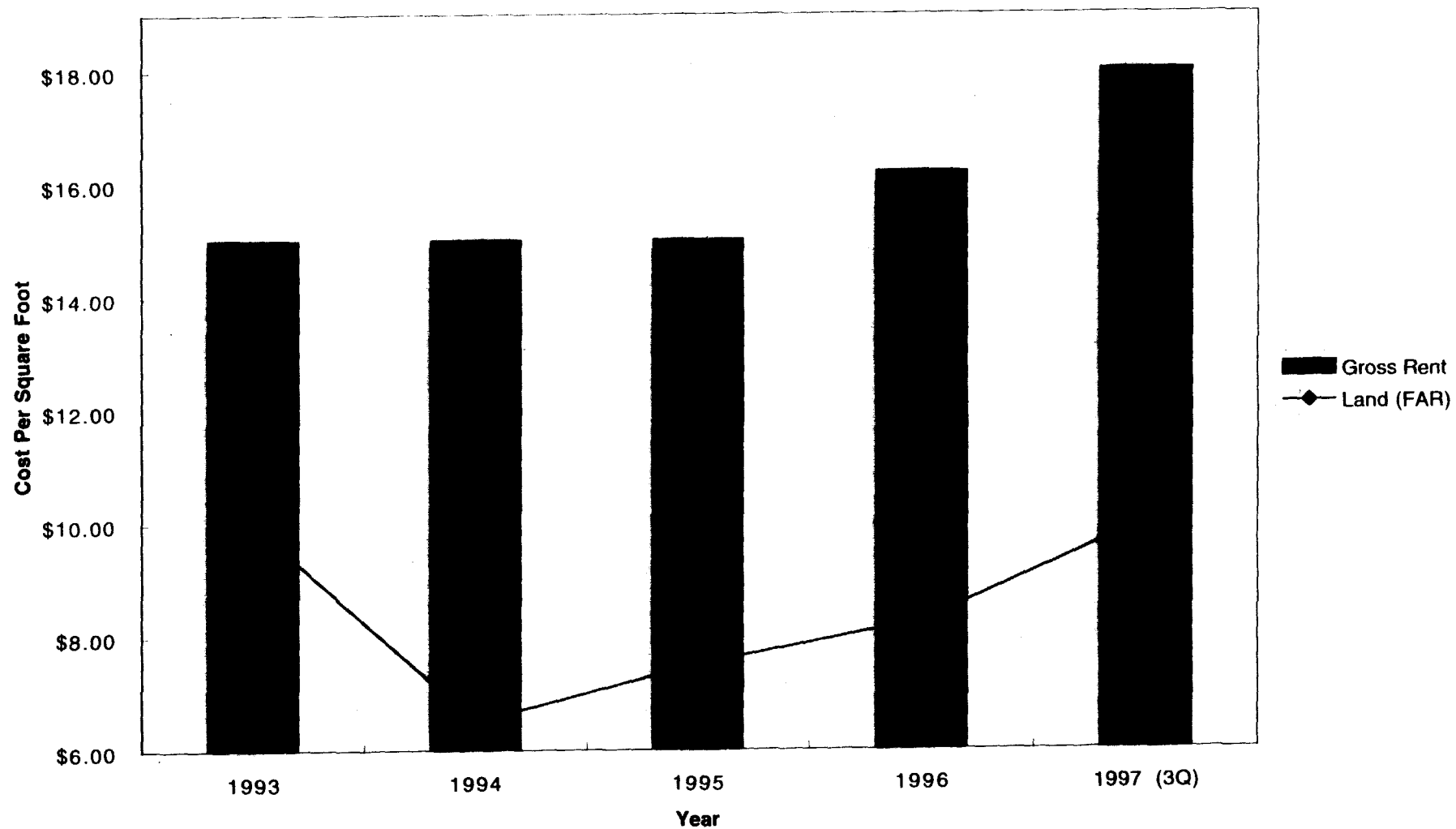
LaSalle Partners
213-680-7900
355 South Grand Avenue
Suite 4280
Los Angeles, CA 90071
Contacts: Bruce Rutherford
Anita Racker

CB/Madison Advisory Group
213 613-3260
533 South Fremont Avenue
8th Floor
Los Angeles, CA 90071-1798
Contact: John Davis

**Office Properties Annual Rental Rates
and Land Values
Downtown Sacramento**



**Office Properties Annual Rental Rates
and Land Values
San Diego**



Real Estate provides:

1. Current land value - equals total land square footage (obtained from company records) times current Fair Market Value (FMV) cost per square foot. FMV obtained from local Negotiator or Real Estate brokerage firm.
2. Book Value of Land - obtained from company records (CMOR03)
3. Book Value of Building - obtained from company records (CMOR03)
4. Gross square footage of land and building - obtained from company records

**INSTRUCTIONS FOR FILLING OUT THE
COLLOCATION TARIFF INPUT FORM**

NSS
The CPOC is responsible for completing the Collocation Tariff Input Form and submitting it to Product Marketing. Product Marketing will be responsible for completion on rate development and filing of appropriate tariff information.

The CPOC will fill in the central office common language location code, the complete street address, city, and date completed. In addition, the CPOC will complete the rest of the form from the survey data collected. The following is a description of the information required and who is responsible for providing the CPOC with that information.

ITEM	DESCRIPTION	WHO PROVIDES
1. Collocation Floor	the number of the floor designated for collocation. Use 0 if the collocation space is in the basement.	c poc <i>NSS</i>
2. Vault Feet per Fiber Run	this is the total footage for each fiber cable run from the face of the vault to the vertical riser duct located in the vault from each designated entrance.	osp
3. Common Area Fencing Footage	this is the perimeter fencing footage required to establish secured corridor to common area and any common area in addition to the building bay fencing. Is external to the building bay fencing. This requires that the location of the first building bay of collocation space to be constructed has been identified.	real estate
4. Number of Common Area Gates	this is the number of common area gates required for ingress or egress to collocation common area by collocators and P*B employees as well as any gates in the common area required by P*B employees only, to get to P*B space.	real estate
5. Security System Costs	these are the costs to install card readers for collocators and P*B employees to get access to the collocation common area or through secured corridor.	security

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- | | | |
|------------------------------------|---|-------------------|
| 6. Implementation Costs | <p>this is the number of hours allocated for our risk and environmental mgt groups to complete a walk through after a site has been completed.</p> <p>So. Ca. use 8 hours
No. Ca. use 4 hours
Bay use 2 hours</p> | cpac <u>NSS</u> |
| 7. Fiber Racking Footage | this is the fiber cable rack required, in feet, from the vertical riser on the collocation floor to the edge of the 1st building bay to be constructed | resident engineer |
| 8. Power Racking | this is the power cable rack required, in feet, from the DC power source (e.g., BDFB) to the edge of the 1st building bay to be constructed. | resident engineer |
| 9. Ground Wire Run Footage | this is the ground cable required, in feet, from the CO ground bar to the edge of the 1st building bay to be constructed. | resident engineer |
| 10. Total Horiz Fiber Pull Footage | this is the total fiber cable required, in feet, from the vertical riser on the collocation floor to the edge of the farthest cage in the 1st building bay to be constructed. | resident engineer |
| 11. DC Power Run Footage | this is the total power cable required from the DC power source to the collocation cage. After determining the footage, select the appropriate number (1 to 5) and note that number in the space provided. | resident engineer |
| 12. Fiber Cable Racking Run | this is where you note, if there is existing ironwork or no ironwork, along the new fiber cable rack route. If the existing ironwork has to be completely removed, consider the route as no ironwork. | resident engineer |

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13. Power Cable
Racking Run

this is where you note if there is existing ironwork or no ironwork along the new power cable rack route. If the existing ironwork has to be completely removed, consider the route as no ironwork.

resident engineer

14. Licensed Space
Building Bay

this is where you note if there is existing ironwork or no ironwork in the building bay area. If the existing ironwork has to be completely removed, consider the route as no ironwork.

resident engineer

Rate Adjustment Workpaper

CO: MADRCA11		Rate Before Adjustment	Disallowance	Adjusted Rate
RATE ELEMENT				
1 CO Space	Recurring	\$827.00	\$ 173.91	\$ 653.00
2 CO Space	Non-Recurring	\$19,516.00	\$ 2,050.31	\$ 17,466.00
3 DC Power (40 Amps)	Recurring	\$ 296.00	\$ -	\$ 296.00
4 DC Power (40 Amps)	Non-Recurring	\$ 453.00	\$ -	\$ 453.00
5 DC Power Cabling	Non-Recurring	\$ 9.74	\$ -	\$ 9.74
6 Infrastructure	Non-Recurring	\$68,912.00	\$ 8,118.53	\$ 60,793.00
7 Cable Space	Recurring	\$60.00	N/A	\$ 60.00
8 Fiber Placement/Removal	Non-Recurring	\$1,909.00	N/A	\$ 1,909.00

Disallowance Summary		Disallowance
CO Space - Recurring		
Floor Space Function		\$ 139.17
DC Power Installation Function		\$ 1.94
Security Installation Function		\$ 5.08
Common Construction Function		\$ 10.10
Interconnector-Specific Construction Function		\$ 17.63
TOTAL		\$ 173.91
CO Space - Non-Recurring		
Construction Provisioning Function		\$ 322.79
Interconnector-Specific Construction Function		\$ 1,727.52
TOTAL		\$ 2,050.31
DC Power - Recurring		
DC Power Generation Function		\$ -
TOTAL		\$ -
DC Power - Non-Recurring		
DC Power Installation Function		\$ -
TOTAL		\$ -
DC Power Cabling		
DC Power Installation Function		\$ -
TOTAL		\$ -
Infrastructure		
DC Power Installation Function		\$ -
Security Installation Function		\$ 3,784.49
Common Construction Function		\$ 4,334.04
TOTAL		\$ 8,118.53

Floor Space Disallowance Workpaper

		A	B	C	D	E	F	G	H
		Floor Space	Disallowance	Floor Space	LEC Average	Disallowance	Disallowance	Overhead	Disallowance
		Function	(for 30 ft)	100 Ft Only	+ 1 Std Dev	(from avg)			(Incl. OH)
			A - A/1.3	A - B		C - D	B + E		F * G
CO:	MADRCA11	\$574.33	\$ 132.54	\$441.80	\$ 476.22	\$ -	\$ 132.54	1.05	\$ 139.17

DC Power Disallowance Workpaper

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O		P	Q	R
	Function	Rate Element	Date of Data Filing	Unit Cost	Unit	# of Units	Recurring Cost	Non-Recurring Cost	Amortized Non-Recurring Cost	% of Total Cost	Monthly Disallowance	PV of Monthly Disallowance	Disallowance per Unit	Allowable per Unit Cost	Rate with Ln		Rate with	Overhead Disallowance	Total Disallowance
															1.36	1	1.27		
															1.00	2	1.00		
															1.00	3	1.00		
															1.18	4	1.18		M + Q
															1.09	5	1.09		or
							D*F	D*F		G/18 or I/18	J*110		L/F	D-M	OH Loading		OH Loading	O - P - M	M* Col P Factor
CO: MADRCA11																			
1	DC Power Installation-Rec	Floor Space		\$21.53	100 s.f.	1	\$ 21.53			3.96%	\$ -	\$ -	\$ -	\$ 21.53	\$ 29.28		\$ 27.34	\$ 1.94	\$ 1.94
2	DC Power Installation-NRC	DC Power Cabling		\$ 9.74	ft	140		\$ 1,363.60	\$ 29.82	5.51%	\$ -	\$ -	\$ -	\$ 9.74	\$ 9.74		\$ 9.74	\$ -	\$ -
3	DC Power Installation-NRC	Infrastructure		\$9,652.86	CO	1		\$ 9,652.86	\$ 211.08	39.00%	\$ -	\$ -	\$ -	\$ 9,652.86	\$ 9,652.86		\$ 9,652.86	\$ -	\$ -
4	DC Power Installation-NRC	DC Power		\$ 383.50	40 Amps	1		\$ 383.50	\$ 8.39	1.55%	\$ -	\$ -	\$ -	\$ 383.50	\$ 452.53		\$ 452.53	\$ -	\$ -
5	DC Power Generation-Rec	DC Power		\$ 270.43	40 Amps	1	\$270.43			49.96%	\$ -	\$ -	\$ -	\$ 270.43	\$ 294.77		\$ 294.77	\$ -	\$ -
6																			
7	Total for G & I						\$291.96		\$ 249.29	100.00%	\$ -								
8	Total Direct Cost (G7+I7)								\$ 541.25										
9	LEC Avg + 1 SD								\$ 660.07										
10	Total Disallowance/Mo (8-9)								\$ -										

Security Installation Disallowance Workpaper

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O		P	Q	R
	Function	Rate Element	Date of Data Filing	Unit Cost	Unit	# of Units	Recurring Cost	Non-Recurring Cost	Amortized Non-Recurring Cost	% of Total Cost	Monthly Disallowance	PV of Monthly Disallowance	Disallowance per Unit	Allowable per Unit Cost	Rate with Ln		Rate with Ln	Overhead Disallowance	Total Disallowance
							D*F	D*F		G/I8 or I/I8	J*110		L/F	D-M	OH Loading		OH Loading	O - P - M	M* Col P Factor
CO: MADRCA11																			
1	Security Installation-Rec	Floor Space		\$16.54	100 s.f.	1	\$ 16.54			4.03%	\$ 3.48	\$ 3.48	\$ 3.48	\$ 13.06	\$ 21.67		\$ 16.59	\$ 1.60	\$ 5.08
2	Security Installation-NRC	Infrastructure		\$18,000.00	CO	1		\$ 18,000.00	\$ 393.61	95.97%	\$ 82.76	\$ 3,784.49	\$ 3,784.49	\$ 14,215.51	\$ 18,000.00		\$ 14,215.51	\$ -	\$ 3,784.49
3																			
4																			
5																			
6																			
7	Total for G & I						\$ 16.54		\$ 393.61	100.00%	\$ 86.23								
8	Total Direct Cost (G7+I7)								\$ 410.15										
9	LEC Avg + 1 SD								0.2102										
10	Total Disallowance/Mo (8-9)								\$ 86.23										

Construction Disallowance Workpaper

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O		P	Q	R
	Function	Rate Element	Date of Data Filing	Unit Cost	Unit	# of Units	Recurring Cost	Non-Recurring Cost	Amortized Non-Recurring Cost	% of Total Cost	Monthly Disallowance	PV of Monthly Disallowance	Disallowance per Unit	Allowable per Unit Cost	Rate with	Ln	Rate with	Overhead Disallowance	Total Disallowance
															1.36	1	1.27		
															1.02	2	1.02		
															1.18	3	1.18		
															1.35	4	1.27		M + Q
															1.00	5	1.00		or
CO: MADRCA11							D*F	D*F		G/18 or 1/18	J*110		L/F	D-M	OH Loading		OH Loading	O - P - M	M* Col P Factor
1	Common Construction-Rec	Floor Space		\$45.19	100 s.f	1	\$ 45.19			3.17%	\$ 4.75	\$ 4.75	\$ 4.75	\$ 40.44	\$ 61.46		\$ 51.36	\$ 5.35	\$ 10.10
2	Common Construction-NRC	Infrastructure		\$40,387.24	CO	1		\$ 40,387.24	\$ 883.16	61.87%	\$ 92.77	\$ 4,242.41	\$ 4,242.41	\$ 36,144.83	\$ 41,259.56		\$ 36,925.52	\$ 91.63	\$ 4,334.04
3	Construction Provisioning-NRC	Licensed Space		\$ 2,804.15	Customer	1		\$ 2,804.15	\$ 56.95	3.99%	\$ 5.98	\$ 273.55	\$ 273.55	\$ 2,330.60	\$ 3,072.90		\$ 2,750.11	\$ 49.24	\$ 322.79
4	Interconnector-Specific-Rec	Floor Space		\$ 82.63	100 s.f.	1	\$ 82.63			5.79%	\$ 8.68	\$ 8.68	\$ 8.68	\$ 73.95	\$ 111.55		\$ 93.92	\$ 8.95	\$ 17.63
5	Interconnector-Specific-NRC	Licensed Space		\$ 16,445.79	100 s.f.	1		\$ 16,445.79	\$ 359.63	25.19%	\$ 37.78	\$ 1,727.52	\$ 1,727.52	\$ 14,718.27	\$ 16,445.79		\$ 14,718.27	\$ -	\$ 1,727.52
6																			
7	Total for G & I						\$ 127.82		\$ 1,299.73	100.00%	\$ 149.95								
8	Total Direct Cost (G7+I7)								\$ 1,427.55										
9	LEC Avg + 1 SD								0.1050										
10	Total Disallowance/Mo (8-9)								\$ 149.95										

COLLOCATION WORKPAPERS

SUMMARY OF COSTS

CENTRAL OFFICE:**MADRCAT1****221 S. East Street, Madera, CA 93637**

RECURRING COSTS**CENTRAL OFFICE SPACE**

(PACIFIC BELL LAND & BUILDING

(MAT'L/EQUIP MAINTENANCE & ADMIN

\$602.79)*

\$223.81)*

page 2
\$827 /100 SQ FT/MONTH**CABLE SPACE**

(CABLE RISER

(VAULT

\$22.64)*

\$37.26)*

page 5
\$60 /CABLE/MONTH**NON-RECURRING COSTS****COLLOCATION INFRASTRUCTURE SET UP***page 9*
\$68,912 /1st COLLOCATOR**COLLOCATOR LICENSED SPACE SET UP***page 13*
\$19,516 /100 SQ FT SPACE**FIBER PLACEMENT/REMOVAL***page 17*
\$1,909 /CABLE

* These subtotals sum to the total cost for the rate element.

COLLOCATION WORKPAPERS

FLOOR SPACE COST
Pacific Bell Land and Building

CENTRAL OFFICE:		MADRCA 11	221 S. East Street, Modesto, CA 95637	
	(A)	(B)	(C)	SOURCE
Account Number	211100	212100		
Account Description	LAND	BUILDING		
Cost Factors				
1 Net Plant	1.0000	1.0000		Accounted For in RIT
2 FCC RIT	0.1614	0.1165		1992 Company Study
3 St & Fed Tax as a % of RIT	28.35%	28.35%		1992 Company Study
4 Cost of Money	0.1156	0.0835		Ln 1 * Ln 2 * (1 - Ln 3)
5 St & Fed Tax	0.0458	0.0330		Ln 1 * Ln 2 * Ln 3
6 Depreciation	0.0000	0.0290		FCC Factor
7 Repair & Maintenance	0.0000	0.0261		1992 Company Study
8 Administration	0.0659	0.0659		1992 Company Study
9 Overhead	0.0287	0.0287		1992 Company Study
CO-SPECIFIC COSTS:			TOTAL	
			(Col. A + B)	
10 Assignable Square Footage	16,514	16,514		Real Estate Mgmt.
11 Current Investment (Gross)	\$106,653	\$4,954,320	\$5,060,973	Real Estate Mgmt.
12 Current Inv/Assign Sq Ft	\$6.46	\$300.00	\$306.46	Ln 11 / Ln 10
13 Book Investment (Gross)	\$32,576	\$1,826,864	\$1,826,864	
14 Book Inv/Assign Sq Ft	\$32,575.77	\$1,826,864.29	\$1,826,864.29	
Annual Cost per Square Foot				
15 Cost of Money	\$0.75	\$25.04	\$25.79	Ln 4 * Ln 12
16 State & Federal Taxes	\$0.30	\$9.91	\$10.20	Ln 5 * Ln 12
17 Depreciation	\$0.00	\$8.70	\$8.70	Ln 6 * Ln 12
18 Repair & Maintenance	\$0.00	\$2.29	\$2.29	App A, Pg A.1, Ln 55
19 Administration	\$0.24	\$5.79	\$6.03	App A, Pg A.1, Ln 57
20 Total of Direct Costs	\$1.28	\$51.73	\$53.02	Sum(Ln 15...Ln 19)
21 Overhead	\$0.11	\$2.52	\$2.63	App A, Pg A.1, Ln 59
22 Total Fully Assigned Cost	\$1.39	\$54.25	\$55.64	Ln 20 + Ln 21
23 Monthly Cost per Square Foot			\$4.64	Ln 22 / 12
24 Monthly Cost per 100 Square Feet			\$463.68	Ln 23 * 100
25 Access Area Assignment			30%	Proj. Team (minimum est.)
26 Monthly Cost per 100 Sq Ft Including Access Area			\$602.79	Ln 24 * (1 + Ln 25)

These floor space costs are combined with maintenance, administration, and overheads of material and equipment (page 3 of the workpapers for this C.O.) to support the Central Office Space rate. For ratios of direct cost to direct investment and price to direct cost for the Central Office Space rate element, see page 20 of the workpapers for this C.O.

COLLOCATION WORKPAPERS

MATERIAL AND EQUIPMENT
Maintenance, Administration, Overhead

CENTRAL OFFICE:		MADRC A11	221 S. East Street, Modesto, CA 93637	
		(A)	(B)	
Account Number		223210	212100	SOURCE
Account Description		DIG CKT COE	BUILDING	
Cost Factors				
1 Net Plant		0.0000	0.0000	Not Applicable
2 FCC RIT		0.0000	0.0000	Not Applicable
3 St & Fed Tax as a % of RIT		28.35%	28.35%	Not Applicable
4 Cost of Money		0.0000	0.0000	Not Applicable
5 St & Fed Tax		0.0000	0.0000	Not Applicable
6 Depreciation		0.0000	0.0000	Not Applicable
7 Repair & Maintenance		0.0143	0.0261	1992 Company Study
8 Administration		0.0659	0.0659	1992 Company Study
9 Overhead		0.0287	0.0287	1992 Company Study
CO-SPECIFIC COSTS:				
<i>(Per Collocator)</i>				
			TOTAL	
			(Col. A + B)	
10 Current Investment (Gross)	\$25,216	\$8,539	\$33,755	Page 4, Ln 12 *
11 Equivalent Book Inv (Gross)	\$20,125	\$4,093	\$24,218	Page 4, Ln 13 *
Annual Cost				
12 Cost of Money	\$0.00	\$0.00	\$0.00	Ln 4 * Ln 10
13 St & Fed Tax	\$0.00	\$0.00	\$0.00	Ln 5 * Ln 10
14 Depreciation	\$0.00	\$0.00	\$0.00	Ln 6 * Ln 10
15 Repair & Maintenance	\$287.78	\$106.84	\$394.62	Ln 7 * Ln 11
16 Administration	\$1,326.23	\$269.75	\$1,595.98	Ln 8 * Ln 11
17 Total of Direct Costs	\$1,614.01	\$376.59	\$1,990.60	Sum (Ln 12...Ln 16)
18 Overhead	\$577.58	\$117.48	\$695.06	Ln 9 * Ln 11
19 Total Fully Assigned Cost	\$2,191.59	\$494.07	\$2,685.66	Ln 17 + Ln 18
20 Monthly Cost per Collocator			\$223.81	Ln 19 / 12

These maintenance, administration, and overhead costs are combined with floor space costs (page 2 of the workpapers for this C.O.) to support the Central Office Space rate. For ratios of direct cost to direct investment and price to direct cost for the Central Office Space rate element, see page 20 of the workpapers for this C.O.

* Lines 10 and 11 are investment surrogates which are used to generate appropriate maintenance, administration, and overhead expenses. The amounts are not booked as investment, but rather are treated as contributed capital according to FCC rules.

COLLOCATION WORKPAPERS

MATERIAL AND EQUIPMENT

Contributed Capital

CENTRAL OFFICE:		MADRC A11	221 S. East Street, Modesto, CA 93637	
	(A)	(B)	SOURCE	
	223210	212100		
	DIG CKT COE	BUILDING		
<u>Infrastructure</u>				
1 Current Investment (Gross)	\$40,867	\$21,880	See Page 9, Lns 13 & 14	
2 Number of Collocators (Long Term)	4	4	Product Mgmt Estimate	
3 Current Inv (Gross) per Collocator	\$10,217	\$5,470	Ln 1 / Ln 2	
4 Current/Book Ratio	1.253	2.086	1992 Company Study	
5 Equivalent Book Inv (Gross) per Collocator	\$8,154	\$2,622	Ln 3 / Ln 4	
<u>Collocator Licensed Space</u>				
6 Current Inv (Gross) per Collocator	\$13,377	\$3,069	See Page 13, Lns 14 & 15	
7 Current/Book Ratio	1.253	2.086	1992 Company Study	
8 Equivalent Book Inv (Gross) per Collocator	\$10,676	\$1,471	Ln 6 / Ln 7	
<u>DC Power Cable</u>				
9 Current Inv (Gross) per Collocator	\$1,623		See Page 19, Ln 5	
10 Current/Book Ratio	1.253		1992 Company Study	
11 Equivalent Book Inv (Gross) per Collocator	\$1,295		Ln 9 / Ln 10	
<u>Totals</u>				
12 Current Inv (Gross) per Collocator	\$25,216	\$8,539	Ln 3 + Ln 6 + Ln 9	
13 Equivalent Book Inv (Gross) per Collocator	\$20,125	\$4,093	Ln 5 + Ln 8 + Ln 11	

These contributed capital figures are referred to as "investment" since they are used as a surrogate for investment to generate appropriate maintenance, administration, and overhead costs (see page 3 of the workpapers for this C.O.).

COLLOCATION WORKPAPERS

CABLE RISER SPACE COSTS

CENTRAL OFFICE:		MADCA11	221 S. East Street, Madera, CA 93637
Account Number		223210	SOURCE
Account Description		Digital Ckt	
Costs Factors			
1 Net Plant		1.0000	Accounted For in RIT
2 FCC RIT		0.0839	1992 Company Study
3 St/Fed Tax as a % of RIT		28.35%	1992 Company Study
4 Cost of Money		0.0601	Ln 1 * Ln 2 * (1 - Ln 3)
5 St/Fed Tax		0.0238	Ln 1 * Ln 2 * Ln 3
6 Depreciation		0.0850	FCC Factor
7 Repair & Maintenance		0.0143	1992 Company Study
8 Administration		0.0659	1992 Company Study
9 Overhead		0.0287	1992 Company Study
RISER COSTS			
10 Current Investment (Gross) per Floor per Fiber Run		\$361	Page 6, Ln 3
11 Equivalent Book Inv (Gross) per Floor per Fiber Run		\$288	Page 6, Ln 5
Annual Cost			
12 Cost of Money		\$21.68	Ln 4 * Ln 10
13 State & Federal Taxes		\$8.58	Ln 5 * Ln 10
14 Depreciation		\$30.65	Ln 6 * Ln 10
15 Repair & Maintenance		\$4.12	Ln 7 * Ln 11
16 Administration		\$18.97	Ln 8 * Ln 11
17	Total of Direct Costs	\$83.99	Sum(Ln 12...Ln16)
18 Overhead		\$8.26	Ln 9 * Ln 11
19	Total Fully Assigned Costs	\$92.25	Ln 17 + Ln 18
20 Monthly Cost per Floor per Fiber Run		\$7.69	Ln 19 / 12
21 Monthly Cost of Land & Building per Sq. Foot		\$4.84	App A, Pg A.2, Ln 52
(Average of Initial 51 Collocation Offices, Fully Assigned)			
22 Square Footage per Floor per Fiber Run		0.75	Page 6, Ln 8
23 Monthly Cost of Land & Bldg per Floor per Fiber Run		\$3.63	Ln 21 * Ln 22
24 Total Monthly Cost per Floor per Fiber Run		\$11.32	Ln 20 + Ln 23
25 Collocation Floor		2	Project Team
26 Total Monthly Cable Riser Cost per Fiber Run		\$22.64	Ln 24 * Ln 25

These cable riser space costs are combined with vault racking space costs (page 7 of the workpapers for this C.O.) to support the Cable Space rate. For ratios of direct cost to direct investment and price to direct cost for the Cable Space rate element, see page 20 of the workpapers for this C.O.

COLLOCATION WORKPAPERS

CABLE RISER SPACE COSTS

CENTRAL OFFICE: **MADRC A11** **221 S. East Street, Modesto, CA 93637**

INVESTMENT (Account 223210)		SOURCE
1 Ladder Racking Material and Labor per CO Floor	\$2,885	Project Team
2 Number of Fiber Cables per Ladder Rack	8	Project Team
3 Gross Current Investment per Floor per Fiber Run	\$361	Ln 1 / Ln 2
4 CC/BC Ratio, Account 223210	1.253	1992 Company Study
5 Equivalent Embedded Invest., Acct. 223210, per Floor	\$288	Ln 3 / Ln 4

SQUARE FEET OF BUILDING SPACE PER FLOOR PER VERTICAL FIBER RUN

6 Square Footage per 2' x 3' Ladder Rack Floor Plate	6	Project Team
7 Number of Fiber Cables per Ladder Rack	8	Project Team
8 Square Footage per Floor per Fiber Run	0.75	Ln 6 / Ln 7

COLLOCATION WORKPAPERS

VAULT RACKING SPACE COSTS

CENTRAL OFFICE:		MADRCAT1	221 S. East Street, Modesto, CA 95337
Account Number		244100	SOURCE
Account Description		Conduit	
Costs Factors			
1 Net Plant		1.0000	Accounted For in RIT
2 FCC RIT		0.1033	1992 Company Study
3 St/Fed Tax as a % of RIT		28.35%	1992 Company Study
4 Cost of Money		0.0740	Ln 1 * Ln 2 * (1 - Ln 3)
5 St/Fed Tax		0.0293	Ln 1 * Ln 2 * Ln 3
6 Depreciation		0.0220	FCC Factor
7 Repair & Maintenance		0.0113	1992 Company Study
8 Administration		0.0659	1992 Company Study
9 Overhead		0.0287	1992 Company Study
VAULT RACKING COSTS			
10 Current Investment (Gross) per Foot per Fiber Run		\$0.84	Page 8, Ln 3
11 Equivalent Book Inv (Gross) per Foot per Fiber Run		\$0.41	Page 8, Ln 5
Annual Cost			
12 Cost of Money		\$0.06	Ln 4 * Ln 10
13 State & Federal Taxes		\$0.02	Ln 5 * Ln 10
14 Depreciation		\$0.02	Ln 6 * Ln 10
15 Repair & Maintenance		\$0.00	Ln 7 * Ln 11
16 Administration		\$0.03	Ln 8 * Ln 11
17	Total of Direct Costs	\$0.14	Sum(Ln 12...Ln 16)
18 Overhead		\$0.01	Ln 9 * Ln 11
19	Total Fully Assigned Cost	\$0.15	Ln 17 + Ln 18
20 Monthly Cost per Foot per Fiber Run		\$0.01	Ln 19 / 12
21 Monthly Cost of Land & Building per Sq. Foot		\$4.84	App A, Pg A.2, Ln 52
(Average of Initial 51 Collocation Offices, Fully Assigned)			
22 Square Footage per Foot per Fiber Run		0.10	Page 8, Ln 9
23 Monthly Cost of Land & Bldg per Foot per Fiber Run		\$0.48	Ln 21 * Ln 22
24 Total Monthly Cost per Foot per Fiber Run		\$0.50	Ln 20 + Ln 23
25 Average Vault Feet per Fiber Run		75	Project team
26 Total Monthly Vault Cost per Fiber Run		\$37.26	Ln 24 * Ln 25

These vault racking space costs are combined with cable riser space costs (page 5 of the workpapers for this C.O.) to support the Cable Space rate. For ratios of direct cost to direct investment and price to direct cost for the Cable Space rate element, see page 20 of the workpapers for this C.O.

COLLOCATION WORKPAPERS

VAULT RACKING/SPACE COSTS

CENTRAL OFFICE: MADRCA 11 221 S. East Street, Madera, CA 93637

INVESTMENT (Account 244100)	SOURCE	
1 Cable Racking Material and Labor per Vault Foot	\$20.88	Project Team
2 Number of Fiber Cables per Wall	25	Project Team
3 Gross Current Investment per Vault Foot	\$0.84	Ln 1 / Ln 2
4 CC/BC Ratio, Account 244100	2.038	1992 Company Study
5 Equivalent Embedded Investment per Vault Foot	\$0.41	Ln 3 / Ln 4

SO FEET AND COST OF BUILDING SPACE PER FOOT OF FIBER RUN WITHIN VAULT

	Feet	Square Feet	
6 Vault Clearance from Wall Required / Foot	2.5		Project Team
7 Square Feet of Vault Floor Space Required per Foot		2.5	Ln 6 x 1
8 Number of Fiber Cables per Wall		25	Project Team
9 Square Footage per foot of Fiber Run in Vault		0.10	Ln 7 / Ln 8

COLLOCATION WORKPAPERS

INFRASTRUCTURE SET UP COST

Cost Including Overhead

CENTRAL OFFICE:	MADRCA11	221 S. East Street, Madera, CA 93637
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DESCRIPTION	COST	SOURCE
1 Common Area Enclosure	\$3,879.80	Project Team
2 Collocation Security System Additions	\$18,000.00	Project Team
3 Ironwork and Cable Racking for Fiber Cable	\$26,227.71	Project Team
4 Ironwork and Cable Racking for Power Cable	\$9,652.86	Project Team
5 Telephone Distribution Terminal	\$997.76	Project Team
6 Ground Wire and Bus Bar	\$3,988.65	Project Team
7 Central Office Survey	\$4,833.16	Page 11, Ln 12
8 Implementation Management	\$1,332.48	Page 11, Ln 16
9 Total Infrastructure Cost	\$68,912.42	Sum Lines 1 thru 8
10 Rate	\$68,912.00	Ln 9, Rounded
11 Direct Cost	\$68,040.10	Page 10, Ln 9
12 RATIO: Rate/Direct Cost	1.01	Ln 10 / Ln 11
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13 Total Building Capital	\$21,880	Sum Lines 1 and 2
14 Total Equipment Capital	\$40,867	Sum Lines 3 thru 6

COLLOCATION WORKPAPERS

INFRASTRUCTURE SET UP COST

Direct Cost

CENTRAL OFFICE:**MADRC 11****221 S. East Street, Madera, CA 93637**

DESCRIPTION	COST	SOURCE
1 Common Area Enclosure	\$3,879.80	Project Team
2 Collocation Security System Additions	\$18,000.00	Project Team
3 Ironwork and Cable Racking for Fiber Cable	\$26,227.71	Project Team
4 Ironwork and Cable Racking for Power Cable	\$9,652.86	Project Team
5 Telephone Distribution Terminal	\$997.76	Project Team
6 Ground Wire and Bus Bar	\$3,988.65	Project Team
7 Central Office Survey	\$4,157.32	Pg 12, Ln 12
8 Implementation Management	\$1,136.00	Pg 12, Ln 16
9 Total Infrastructure Cost	\$68,040.10	Sum Lines 1 thru 8
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10 Total Building Capital	\$21,880	Sum Lines 1 and 2
11 Total Equipment Capital	\$40,867	Sum Lines 3 thru 6

COLLOCATION WORKPAPERS

CO SURVEY AND IMPLEMENTATION MANAGEMENT COSTS

Cost Including Overhead

CENTRAL OFFICE: MADRCA11 221 S. East Street, Madera, CA 93637			
DESCRIPTION	(A) LABOR RATE /UNIT (Fully Assigned)	(B) # OF UNITS	(C) TOTAL COST (A * B)
CO Survey Labor			
1 Real Estate	\$143.83 /Hour	4	\$575.32
2 Security	\$143.83 /Hour	4	\$575.32
3 Collocation Point of Contact	\$114.34 /Hour	4	\$457.36
4 Facility Equipment Engineer	\$109.39 /Hour	4	\$437.56
5 Detail Engineer	\$126.22 /Hour	4	\$504.88
6 CSPEC	\$109.39 /Hour	4	\$437.56
7 Power Engineer	\$126.22 /Hour	4	\$504.88
8 Site Manager	\$59.39 /Hour	4	\$237.56
9 Outside Plant Engineer	\$100.31 /Hour	4	\$401.24
10 Central Office Manager	\$109.39 /Hour	4	\$437.56
11 Network Terminating Eq Mgr	\$65.98 /Hour	4	<u>\$263.92</u>
12 Total Cost, Including Overheads			\$4,833.16
Implementation Mgmt Labor			
13 Environmental Mgmt	\$109.39 /Hour	4	\$437.56
14 Risk Mgmt	\$109.39 /Hour	4	\$437.56
15 CPOC	\$114.34 /Hour	4	<u>\$457.36</u>
16 Total Cost, Including Overheads			\$1,332.48

SOURCES

Column A : Labor rates are taken from a 1990 Company study. These rates are fully assigned, and as such include wages, benefits, and reasonable overhead loadings.

Column B: Hours for each function or task are estimates made by Company subject matter experts drawing on experience with EIS collocation or with similar products or situations.